

MINERALS COUNCIL
SOUTH AFRICA

ABOUT THE MINERALS COUNCIL SOUTH AFRICA

The Minerals Council South Africa, formerly known as the Chamber of Mines of South Africa, is an organisation that unites and represents mining and exploration companies operating in South Africa. It promotes the interests of its members, both large and small, provides strategic guidance and advisory input, and supports and promotes the South African mining industry as a whole.

The Minerals Council enables and encourages interaction among companies to examine policy issues, and other matters of mutual concern, in order to define and crystallise desirable industry standpoints. A critical feature of its role is to promote collaboration between members to achieve enhanced outcomes for companies, industry employees, mining-affected communities and the country at large.

Consultation and collaboration are voluntary and never encroach on the autonomy of its members. It does, however, require members to adhere to a membership compact that sets standards of responsible behaviour.

The Minerals Council also acts as a principal advocate for mining in South Africa to government, and serves to communicate the major policies endorsed by its members. A further vital function is the representation of some sectors in collective bargaining with organised labour. It is the vehicle through which its members' participation and interests are channelled in support of industry bodies, including the Mine Health and Safety Council (MHSC) and the Mining Qualifications Authority (MQA), and civil society advocacy groups, such as Business Unity South Africa (BUSA) and Business

Leadership South Africa (BLSA). Finally, it also participates in global mining organisations, such as the International Council on Mining and Metals (ICMM), to ensure that the South African mining industry is represented at this level, and is party to the development and implementation of global best practices aimed at responsible mining.

VISION, MISSION AND VALUES

The Minerals Council's vision is to ensure that "mining matters", in a positive sense, for South Africa, for companies, employees, mining-affected communities and the country as a whole.

Its mission is to play a leadership role in enabling the South African mining sector to achieve its real potential for investment, growth, transformation and development in a socially and environmentally responsible manner.

Its values are embedded in all that it does. The five values of the Minerals Council are:



**Responsible
citizenship**



Respect



Trust



Honesty



Accountability

Members are obliged to conduct their business according to the Minerals Council's agreed values, which dictate the minimum standards of conduct required of them in order to become or remain a member.

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FOREWORD

Roger Baxter, Chief Executive Officer



It gives me immense pleasure to present to you this commemorative booklet, produced to mark the occasion of the change of name of our organisation to Minerals Council South Africa.

Some may ask why the organisation's Council, its highest decision-making body in between annual general meetings, decided it was advisable to take this step.

At the outset, I should state that it is not because there is a sudden change in the nature of the organisation. In fact, the Chamber of Mines, which is now becoming the Minerals Council, has throughout its life undergone continuous change, adapting to new situations in different ways, always with continuity a factor in its governance.

Yet the organisation's leadership did begin to discern, some years ago, that it and its affiliates were transforming in specific ways, and that their nature and culture and that of their industry were transforming too. Without

dismissing or denigrating the work of our forebears, today we operate in a new society, and our industry operates in profoundly different ways. Our priorities today, perhaps more so than in the past, are good corporate citizenship, social and environmental responsibility, competitiveness, growth and transformation.

To the extent that the Chamber of Mines was part of a historical era when our society and our industry may have been wanting in these terms, this change of name is a sign of our efforts to move into the future. In doing so, we are not intending to conceal or deny our past, which had positive features as well as the negative aspects that are cited by some of our stakeholders more frequently.

However, we invite those stakeholders to judge us by the standards to which we aspire, to be found in our Membership Compact among many other places.

The new Minerals Council reflects the promise of a future driven by partnership, innovation, competitiveness, growth, skills, transformation and leadership. But, it also blends the positive features of the past. This is a new dawn for South African mining as we work collectively to enable this great industry to realise its true economic and transformational potential in a safe and nation-building manner.

It has been an immense privilege to have led the Chamber-to-Minerals Council transition, with all the hard work done behind the scenes. I am indebted to the wise counsel and leadership of Mxolisi Mgojo, our President; Andile Sangqu, Neal Froneman and Steve Phiri, our Vice Presidents; and Mike Teke, our immediate Past President. Thanks also to Sean McCoy of HKLM, Charmane Russell of R&A and the internal Chamber team for all their hard work and patience. And thanks to the wise leadership and support of the Council.

I am always reminded of brand guru Jeremy Sampson (who also helped us with this project), who said, "A brand is a promise made and a promise kept." The Minerals Council is founded on a promise that will be delivered upon.



Roger Baxter
Chief Executive Officer
23 May 2018

IN THE WORDS OF THE OFFICE BEARERS (2017–2018)

Four elected office bearers, a president and three vice presidents, lead the highest decision-making body of the Minerals Council. Between 2017 and 2018, they were Mxolisi Mgojo (President) and Andile Sangqu, Neal Froneman and Steve Phiri (Vice Presidents). Here, they share their views on the role of the organisation, its challenges and achievements over the past year, and the importance of its name change and new identity.

THE ROLE OF THE ORGANISATION

The organisation's role is more important today than it has ever been, agree the Minerals Council office bearers. "Looking back at the role of the Chamber, it was historically an organisation that represented an elite group of mining companies," says Sangqu, Executive Head of Anglo American South Africa. "It served and protected the interests of those companies, and it did its job well – for them. But post-1994, it became increasingly solution-seeking and constructive in its discourse, and also started driving transformation within itself.

"This has been manifested in the composition of the Chamber's members and office bearers, and the way it has included the voices of junior miners. These changes have enabled the Chamber to lead from the front in a number of areas, and to honour what it set out to do. This is not to suggest that

the work is complete, but in terms of where it was and where it is today, I am very pleased to see that the Chamber has charted a new path."

In an industry as large and established as the South African mining industry, says Mgojo, CEO of Exxaro, the Chamber is indispensable. "The mining industry is a critical contributor to South Africa's economy and, because of this, requires a collective view in dealing with the many issues that impact the industry," he explains. "Without a collective body it almost becomes unmanageable to align various interests and present a cohesive view of the industry."

Sibanye-Stillwater CEO Froneman agrees: "An organisation representing the entire spectrum of business interests in the mining sector is essential to develop a coherent, collective position for stakeholder engagement on matters of strategic importance for the industry's growth, competitiveness and transformation."

Andile Sangqu
Vice President

Neal Froneman
Vice President

Mxolisi Mgojo
President

Steve Phiri
Vice President



IN THE WORDS OF THE OFFICE BEARERS (2017–2018) CONTINUED

REFLECTING ON CHALLENGES AND ACHIEVEMENTS

“The past year has been a very difficult period,” says Mgojo. “Having to withstand all the negative comments about the Chamber and its leadership not wanting to engage with the previous minister was very challenging. But we stood firm on our values and our principles and, in the long run, this stood us in good stead as it became evident that the previous administration had been involved in unscrupulous means of dealing with the industry.”

“Securing a fundamentally different relationship between business and other stakeholders in the mining sector, and government in particular, has proved intractable,” adds Froneman, “particularly in the toxic political and social context that has prevailed until recently. While our aim as business has consistently been to secure a renewed

social partnership as the basis for growing mining’s contribution to social development and economic growth, sadly, this has not been reciprocated, with discord and friction increasing.”

There have been other pitfalls, too. “The fact that we have not been able to build a high-trust relationship with labour is an area that we need to work on,” says Sangqu.

“It also has not always been easy to get all members to agree on a way forward for the industry. I think there is still some work to be done among the Chamber’s members to understand that transformation is a non-negotiable imperative and that it’s possible to transform and to grow the industry at the same time.”

This is not to suggest that the year was without its successes. For Phiri, “challenging the Revised Mining Charter in court, and prosecuting the application

on continuing consequences,” was both a major hurdle and, when a favourable judgment was passed, an important achievement. “It’s been a wonderful experience working with such a knowledgeable and committed team,” he says.

“We are pleased to have emerged through these challenging times with the fabric of the industry intact,” says Froneman, “and in a position to thrive with a conducive regulatory and policy framework. In addition, growing the Chamber’s membership base to encompass a high proportion of smaller and emerging producers has enhanced the Chamber’s credibility as the legitimate representative voice of organised business in the mining sector.”



IN THE WORDS OF THE OFFICE BEARERS (2017–2018) CONTINUED

A NEW NAME, A NEW IDENTITY

“The Chamber has had to deal with a lot of historical legacies,” reflects Sangqu. “And for me, the work that we are doing to find a solution that is going to deal with the social ills of the past is critical. Rebranding the organisation is a way of signalling that we are playing a proactive role in dealing with these legacies, that we have become more progressive, and that we are focused on contributing to an industry that can positively shape the future of this country.”

Phiri concurs: “In launching the new name and identity, we need to set a new tone and look for renewal, without obliterating the past.”

“The new branding heralds a strategic shift to embrace the concept of inclusive growth,” explains Froneman. “It is indicative of business’ sincere intention to partner in a social compact subscribed to by all stakeholders. It reflects the imperative of moving forward decisively from an adversarial past to shape a modernised mining industry that will realise full potential value from South Africa’s mineral resources in support of a growing economy and a developing society.”

“What will matter,” adds Sangqu, “is that our words are backed up by action. There cannot just be a change in name. We need to match it up with the kind of action that supports the fact that we are a changed organisation. I think the groundwork has been laid for that, and I think we are ready to begin again.”



IN THE WORDS OF THE OFFICE BEARERS (2016–2017)

For the period 2016-2017, four office bearers led the Chamber of Mines. They were Mike Teke, who was President of the Chamber for three years, and Vice Presidents Graham Briggs, Neal Froneman and Andile Sangqu. These office bearers laid the foundation for the launch of the Minerals Council, and played an important role in the ongoing transformation of the Chamber of Mines.

As to why the organisation continues to play an important role today, former Chamber President and CEO of Seriti Resources Teke says, “The Chamber creates streamlined processes and collegiality, in the true sense of word, among the mining community. The Chamber is best placed to communicate with the ‘world’ without taking away from individual companies’ independence. The Chamber has a central role in representing South African mining to the world, and promoting it as a viable, profitable and responsible destination for investor interest.”

Adding to this, Briggs, former Vice President and independent company director, comments that, “The Chamber is even more relevant today than it was 10 or 20 years ago, but not in the same way. Two decades ago, mining companies were far less likely to be collaborative than they are today. That has created a real need and opportunity for the Chamber to lead and support the industry for a common cause.”

On the critical issues facing the industry in the past few years and today, Teke shares his views: “The number one priority for all of us is the safety and health of our employees. We have not yet achieved our goal of Zero Harm, but I am convinced that with the will, the effort and ingenuity for which this industry is known, we can achieve this.”

Briggs concurs: “One of the most significant achievements of the Chamber has been to guide and support members in improving health

and safety. And this impetus is again needed today as performance has plateaued and even regressed.”

Teke adds: “The trust relationship between the stakeholders in this industry reached its lowest level in recent years, as we as a country and industry faced deeply embedded corrupt practices and alleged state capture. And the relationships between communities and companies have suffered from a lack of trust. Regulatory uncertainty continued to undermine investor confidence and growth. Finally, wide-spread poverty, inequality and unemployment have undermined the already tenuous relationships between communities and companies in mining neighbourhoods.”

Looking forward, Teke says, “Now, the Chamber’s task is to play a constructive part in the rehabilitation of our industry as we seek to grow and transform it further. In engagements with government,

Graham Briggs
Former Vice President

Mike Teke
Former President

organised labour, mining communities and other important stakeholders, we need to do this in a manner that ensures the sustainability of our industry, and also in a way that profoundly recognises and acknowledges the harm to our society to which our industry contributed in the pre-democratic era.”

Briggs adds: “The new Minerals Council cannot rest on its laurels. It needs to take stock and understand that its members are not the same as they were. There are many more players in the sector, with less dominance of the ‘majors’. Emerging miners are playing an increasing role, as are the new entrants to South African mining from all over the globe, and not only from traditional mining jurisdictions.”





CARE

THE CHAMBER OF MINES: A BRIEF HISTORY

In the mid-nineteenth century, South Africa was a land of scattered settlements, the occasional farm and endless veld. It seemed to lack the resources, both agricultural and mineral, that had been found elsewhere on the continent, and its indigenous populations and European settlers alike largely engaged in subsistence farming, producing little for export. The country's formal economy, it's fair to say, was simple and meagre.

But all that changed when 15-year-old Erasmus Stephanus Jacobs picked up a 21.25-carat diamond in Hopetown in 1867, and when George Harrison

stumbled upon gold in Langlaagte in 1886. With these discoveries, an economy was born that would forever alter the fabric of South Africa, and the wake of which would ripple throughout the world.

The diamond fields were quickly transformed into a modern city called Kimberley. This bustling city was the first in southern hemisphere Africa to install electric lights.

The Witwatersrand gold rush that followed was unprecedented, drawing diggers from all over the world, seeking their fortune. And the race to the world's

largest gold deposit, the Witwatersrand Basin, gave rise to Johannesburg – or Egoli, the city of gold.

The establishment of the Johannesburg Stock Exchange in 1887 to fund the development of these gold mines, the transmission via the first telegraph in 1888, and the construction of a railway line from Cape Town to Johannesburg in 1891, were all major achievements for this fledgling economic hub. Around the gold industry, many other industries – including forestry, agriculture, construction, finance, banking, engineering and explosives – were created to support it.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

THE NEED FOR A CHAMBER

A year and two months divide the formation of Johannesburg and the first incarnation of a chamber of mines. So quickly had the city grown, with prospectors, labourers and tradesmen arriving in their thousands to seek their fortunes on the goldfields, that by 7 December 1887, a chamber was deemed necessary to represent this ambitious industry.

The first Chamber had 140 individual members on its books and included almost every well-known figure in the young mining town, none of whom represented formal mining companies. It was this failure to secure the support of the leading mining houses of the time that would prove fatal for the fledgling organisation, together with its preoccupation with Johannesburg's water, sanitation and municipal affairs. As a result, and despite the monthly figures of gold output it published and the false information it denounced

in company prospectuses, the early Chamber lost its way. Within 18 months, it had ceased to exist and it became clear that radical transformation would be necessary to revive it.

By October 1889, a new chamber, the Witwatersrand Chamber of Mines, had been called into being, one that would ultimately evolve into the organisation it is today.

The new Chamber was buttressed by the support of the era's mining giants, including Corner House, Consolidated Goldfields and Johannesburg Consolidated, and took a firm stance not to support or finance any political parties. Within a year, it boasted 76 members, representing 53 gold companies and one coal company, the Coal Trust.

The first Chamber annual report in 1889 talks of revenue of £400 and a focus on shortage of electricity, labour market instability and a new minerals tax.

The Chamber focused its energy on helping its members control mining costs and providing investors with honest and authoritative information. Further to this, it committed to only involving itself in matters that its members agreed could best be dealt with through concerted action – without infringing on the autonomy of any particular member. Dealing with government was also critical, both because of how legislation affected the industry and because of the industry's fast-growing impact on the country's economy.

In this way, there has been little change in the fundamental nature of the Chamber's activities over the past 130 years, although the range of its activities has expanded greatly, and its approach to critical issues has changed markedly.

The Chamber is a microcosm of its members' interests and has served them judiciously over the past 130 years.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

AN ALLIANCE WITH LABOUR

In 1890, when most ore being treated lay close to the surface, the Witwatersrand gold mines needed only 14,000 labourers. Within a decade, and about eight years after the cyanide refining process had been introduced and had solved the problem of how to recover gold from pyritic ore, this figure was close to 100,000 labourers.

To deal with the human resources challenges that this steep rise in labour brought with it, the Rand Native Labour Association was formed, an organisation that became the Witwatersrand Native

Labour Association after the South African War. This, labour recruits soon dubbed 'Wenela'.

Before 1899, Mozambique had been by far the main source of black labour for the mines. From 1902 onwards, Wenela continued to find two-thirds of the industry's labour needs through its dozens of recruiting stations there, where it medically examined recruits, provided them with clothing to ward off the Johannesburg chill, and fed them on their journey to the Witwatersrand. In 1905, Wenela established a 'compound' in Johannesburg where the new recruits

stayed before being dispersed to the various mines, and a hospital for those who had fallen ill on the long journey. After World War II, it extended its recruiting activities to Nyasaland (Malawi), Northern Rhodesia (Zambia) and Bechuanaland (Botswana).

The migrant labour system, developed to ensure a supply of black labour to both the agricultural and mining sectors, and today recognised as one of the worst features of the country's colonial and apartheid history, was an integral feature of recruitment to the mining industry.

TEBA

Combining these efforts with the recruitment of black mineworkers in the Cape, Natal and in the British Protectorates of Swaziland and Basutoland (Lesotho) did not come until 1912, when the Chamber formed the Native Recruitment Corporation (NRC). The NRC's first executive head was Henry Taberer and mineworkers soon came to know the organisation as *Kwa Teba*.

When, in 1977, the Chamber merged Wenela and the NRC to form The Employment Bureau of Africa, the new acronym, TEBA, provided an interesting sense of historical continuity. TEBA still exists today, serving as a major recruitment and management service provider to the mining industry and to mineworkers and their families. It has approximately 60 offices across South Africa, Lesotho, Swaziland,

Mozambique and Botswana, as well as 40 offices located on mines. TEBA's services are paid for by the industry's employers.

TEBA's major shareholder is Dr James Motlatsi, a founding member and former president of South Africa's National Union of Mineworkers (NUM). A total of 600 TEBA employees are also shareholders through the TEBA Employee Trust.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

LIAISING WITH UNIONS

South African mining has a history of labour relations challenges, with periods of hostility between management and workers over the years.

During World War I, the Chamber was handed the task of negotiating with white unions and associations – notably the South African Mine Workers' Union (MWU) – on wages, conditions of employment and other related matters. At the time, the Chamber was led by Sir Evelyn Wallers. Under his leadership, in 1915, the mining industry introduced paid leave for daily-paid workers, which no industry in the world did at the time.

Still, rapidly rising food and other prices during the war years placed a great strain on white miners, and had the effect of increasing their fears of competition from black workers. That fear was produced by changes in mining practices that were fast-eroding

traditional jobs and creating new ones, to which mine managers often tried to appoint low-paid black miners.

There was also a major and seriously violent strike in 1922 involving the MWU. Although the union was defeated in the strike, two years later a new government was elected, which introduced laws reserving skilled jobs for white miners and various other measures to enhance white workers' interests.

In 1977, the Chamber created a department of industrial relations, only a few years before the demands of black unskilled and semi-skilled workers, led by the NUM, introduced new dynamics to the industry. According to these demands, the industry recognised a trade union representing black miners for the first time. While this was a source of further industrial conflict, including a bitter three-week strike on the gold mines in August 1987, it also led to the normalisation of labour relationships in the industry.

MORE THAN A CENTURY OF ADVOCACY

More than a century's worth of activities have moulded the Chamber into the organisation it is today.

It exists as the principal advocate of major policy positions endorsed by mining employers and represents these to various organs of the South African provincial and national governments and to other policy-making and opinion-forming entities, both locally and abroad.

When the Chamber of Mines was established in Johannesburg in November 1887 its membership was open to anyone "interested in mining". Within 18 months it was decided that it would have several classes of membership, but only one would have voting powers – and that would be restricted to those who were actually mining for gold, or at least held mine claims.

The new Chamber devoted its energies to matters of fundamental importance to the mining industry. In the days of Paul Kruger, the provision of railway facilities to get goods to the mines from the coast, the cost of bringing goods of all descriptions into the Republic, the related cost of labour, and the cost of dynamite all exercised the Chamber's members. The best way of dealing with these issues, they decided, was co-operatively.

And so a second principle was established in the Chamber's operating philosophy. It would involve itself only in those matters that its members unanimously agreed could, without infringing on the managerial autonomy of any member company or mine, be best dealt with through concerted action. In time, a third operating principle was established. The Chamber's executive committee would never take a vote on any issue, but would strive to achieve consensus. If that was not immediately forthcoming,

it would be the responsibility of the president, as chairman of the committee, to try to persuade those whose views were in the minority to change them. If he or she failed, the matter would be held over for a subsequent meeting – or abandoned.

In Kruger's day, the Chamber obtained changes to the Gold Law that, among other things, provided security of tenure to those apparently owning gold-mining land by enabling them to obtain title deeds. It was a move widely welcomed for restoring international confidence in the local mining industry, and it produced a steep rise in the value of such property.

A few years after its founding, the Chamber bought an action against the African Gold Recovery Company, which held two patents for the MacArthur-Forrest cyanide process used to recover gold from ore. Judgment in the Supreme Court in Pretoria, like earlier judgments on the issue in English and German courts, supported

the Chamber's argument that it was common scientific knowledge that gold could be separated from its ore by a solution of potassium cyanide.

The early Chamber also succeeded in dealing with the state's condonation of an explosives cartel – known as the French or Latin Trust. The Chamber's convincing arguments to the Concessions Commission on the Dynamite Monopoly resulted in the cancellation of the explosives monopoly contracts in 1901.

The outbreak of World War I in 1914 saw a special war levy of £500,000 imposed on the mining industry. The Chamber did not demur, believing it to be a once-off contribution to the war effort. But when the levy was repeated annually for the rest of the war, its patriotic silence gave way to cries of protest, albeit with limited success. In 1935, a few years after it reluctantly abandoned the gold standard, a move which caused the metal's price to rise substantially,

THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

government passed the Gold Mines Excess Profits Duty Amendment Act. The Chamber's protests had it repealed, but it was soon replaced by a new taxation formula for the mining industry that left government better off than ever before. As the Chamber later pointed out, in 1931 government had taken 27% of working profit per tonne of mined ore in the form of tax lease payments; by 1938, it had increased this to 44%.

The following year, a few months before the start of World War II, the Hertzog government announced its intention of seizing all income accruing to the mining industry above what was yielded by a gold price of £7 10s an ounce. It was motivated by a desire to curb what it saw as "excess profits", and to conserve them "for national purposes". The Chamber, denouncing a tax based "on the quantity of gold

produced, without reference to its cost of production", succeeded in having the measure withdrawn. Nevertheless, between 1939 and 1943, tax raised from the mining industry doubled.

In 1966 the Chamber succeeded in obtaining state aid for marginal mines. At that time the price of gold was still fixed at \$35 an ounce, and about half South Africa's mines were struggling to survive. Financial support from government proved a most successful gamble as, by the early 1970s, the gold price was freed and began to rise swiftly.

The Truth and Reconciliation Commission

Mining was South Africa's first modern industry and was crucially shaped by the racial hierarchy of the day. During

the colonial and apartheid years, migrant labour, job reservation, wage distribution, housing, healthcare and other conditions of service were racially described.

At the Truth and Reconciliation Commission, conducted between 1996 and 1998, the Chamber testified that the racial organisation of the industry's work was discriminatory by any account. This legacy served to define the options and opportunities that are open to the industry today. Black employees' rights and expectations were certainly denied, families were adversely affected and community development was distorted. The rational organisation of work was frustrated. This legacy is still evident today. It has left a deep trail of human loss, of hardship and of suffering that has to be addressed.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

The Mining Charters

In the 1990s, as South Africa continued to transition into its democratic state, the Chamber was involved in discussions with government on the initial Mineral and Petroleum Resources Development Act (MPRDA) and on how the mining industry would be regulated going forward. These conversations led to what eventually became the first Mining Charter.

The initial Mining Charter paved the way for the whole charter system in South Africa. It was the pillars of this Charter that became the pillars of others, as well as the codes of the Department of Trade and Industry. Since its first incarnation, the Charter has been revised once, and negotiations for the third Mining Charter are currently under way.

Royalty Bill

Negotiations for South Africa's first Royalty Bill took place between the Chamber and National Treasury in 2007 and 2008, with the Mineral and Petroleum Resources Royalty Act coming into effect in 2011.

As a result of the Chamber's advocacy work, South Africa's Royalty Act is unlike that of many other mining jurisdictions, as it based largely on profit, rather than revenue. This has meant that the heavy burden on marginal mines, which would have led to early closures, has been alleviated in the interests of the industry's sustainability.

Illicit financial flows

The Chamber of Mines commissioned a series of reports to examine the July 2016 UNCTAD report titled "Trade Misinvoicing in Primary Commodities in Developing Countries: The Cases of Chile, Côte d'Ivoire, Nigeria, South Africa and Zambia".

The UNCTAD report purportedly found widespread under-invoicing, which, it alleged, was designed by commodities producers to evade tax and other entitlements due to the fiscal authorities.

The first two Chamber-commissioned Eunomix reports, published in December 2016 and February 2017 respectively, focus on UNCTAD's gold scenarios. The third report, which was published in August 2017, deals with other commodities.

These independent research reports uncovered complexities and inaccuracies regarding UNCTAD's assumptions that strongly refuted any suggestion that misinvoicing and other illicit financial flows are at all substantial or systemic where South Africa's mining industry is concerned.

The issue remains a contentious one, however. The industry supports any strengthening of the financial authorities' capacity to monitor and enforce the comprehensive systems designed to prevent illicit financial flows.

HEALTH AND SAFETY IN THE MINING INDUSTRY

The late nineteenth century brought with it no shortage of health and safety risks to South Africa's mining industry. When the risk of the bubonic plague spreading from Delagoa Bay in Mozambique to South Africa's mines appeared, the Chamber brought in Dr R Hornabrook to advise. Among his recommendations were guidelines for 'compound' construction, ventilation and sanitation, and diet and healthcare facilities. The importance of preserving miners' health and safety was quickly identified as a priority.

Despite these interventions, many miners were beginning to suffer from respiratory diseases as a result of being exposed to extremely dusty conditions underground. The Chamber conducted a scientific investigation into underground conditions, and a competition for industrial engineers to produce a solution to the dust problem was launched. It was probably in response to the latter that the concept

of a drill with an integral water jet was first introduced to the local mining industry. Though it took some time to refine, this eventually became a standard item of mining equipment.

Concern for those whose health had been affected by dust led the Chamber to establish, in 1916, the Silicotic Employment Office, which helped mining companies find surface work for some workers suffering from lung disorders. At that stage, the Chamber was co-ordinating the monitoring of dust levels in mines and, by 1928, was sufficiently confident of South Africa's progress in this regard that it hosted an international conference on the medical aspects of mining.

The reality of mining

Mining can be arduous work in challenging and potentially hazardous circumstances. In South Africa, certain mines operate up to 5km underground and virgin rock temperatures can reach 60°C. In these circumstances, the safety of mine workers must take priority.

Introduction of the MHSA

South Africa's Mine Health and Safety Act (MHSA), which was introduced in 2006, was considered to be fairly radical at the time as it made provision for a tripartite approach to safety and health, requiring industry, unions and government to act in concert in promoting a safe and healthy workplace. Together, these social partners have made significant strides in improving the safety performance of South African mines, but much more remains to be done.

Mine Health and Safety Council

The Mine Health and Safety Council (MHSC) was set up in 1996 to direct safety in the mining industry and to respond to industry safety challenges. It was built on the achievements of decades of research and funded largely dues from the mining industry. The MHSC comprises a tripartite board represented by the state, employers and organised labour, under the chairmanship of the Chief Inspector of Mines. The Chamber continues to play a strong leadership role in the MHSC and its committees.

THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

Mining Qualifications Authority

The MHSC works closely with the Mining Qualifications Authority (MQA), which plays a critical role in addressing skills shortages in the mining industry through capacity development and process improvement. Among its other mandates, the MQA is mandated to ensure that the mining and minerals sector has sufficient numbers of competent people who have been trained to improve health and safety standards and processes.

The Chamber forms part of the MQA leadership structure and Chamber members contribute about R1 billion per annum towards the MQA.

Past legacies

The positive impacts of the mining industry in South Africa – which are many and undisputed – do not prevent the industry from acknowledging its past, including the negative impacts it has had on the country and on its people.

It is a sad and unfortunate reality of the South African mining industry that, over the past 150 years, over 80,000 mineworkers have died and more than a

million mineworkers have been seriously injured at work. It is also unfortunate that sometimes in the past these deceased mineworkers were not accorded the respect they were entitled to, and that their families did not receive the support that should have been offered to them.

Since the 1920s, there has been a protocol in place at the Chamber of Mines and among its members that provides for the burial of employees who die while working in the mining industry near their place of work, or for the repatriation of their remains. This protocol includes engagement with the family, and consultation on their wishes.

Different mining companies have had different approaches to commemorating accidents and incidents, including memorials and memorial services, and the establishment of education funds, such as the Vaal Reefs Disaster Trust Fund.

Today, the family of a mineworker who is fatally injured at work will receive support from the company, including burial and repatriation costs and the transportation of families to the mine, where memorial services are held. The

companies also ensure that families are provided with assistance on pension and provident fund payouts.

Working towards Zero Harm

Since the advent of democracy, the industry and its tripartite partners have illustrated that by working together the industry's safety performance can improve. Great strides have been made towards achieving the collective goal of Zero Harm. Between 1993 and 2016, the number of fatalities across the industry declined by around 88%, while fatalities as a result of fall of ground incidents declined by 92% over the same period. Other safety indicators improved at similar rates.

The Chamber noted with great regret the increase in fatalities in 2017, where 88 people lost their lives in mining-related accidents. This was the first time in a decade that the decrease in fatalities had not been sustained, and has resulted in intensified efforts by the Chamber and the industry to understand the causes of this regression, and ways to deal with it.

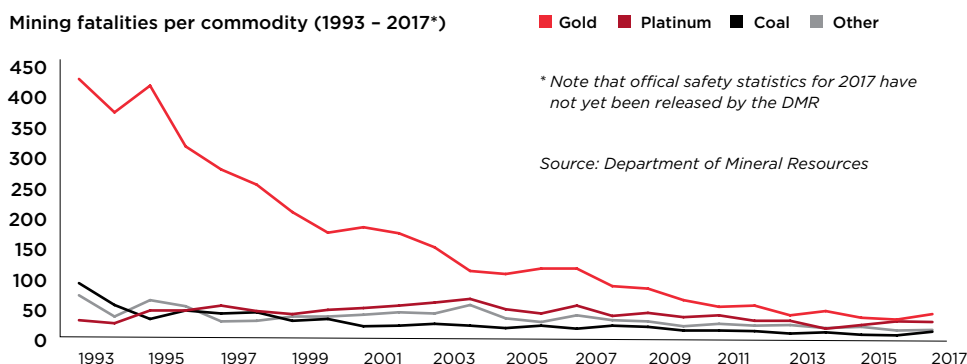


THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

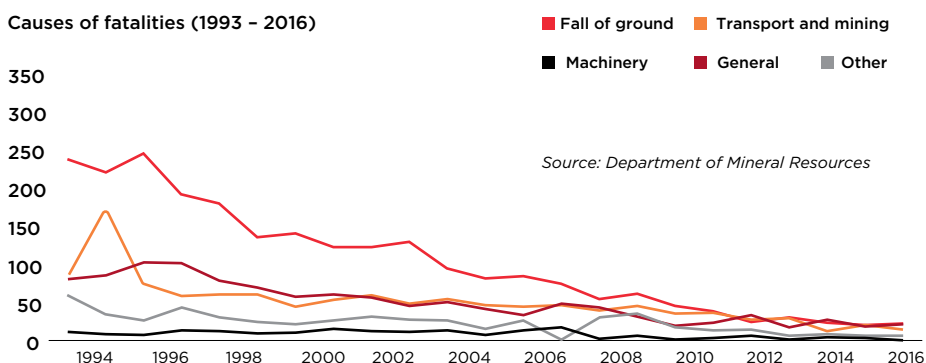
Safety milestones

- 1996:** Introduction of MHSA
- 1998:** Formation of the MHSC
- 2003:** Tripartite stakeholders agree on 10-year health and safety milestones
- 2008:** Development of Tripartite Action Plan
Formation of Regional Tripartite Health and Safety Forums
Establishment of MOSH Learning Hub
- 2011:** Tripartite stakeholder principals approve the Culture Transformation Framework
- 2012:** Establishment of the CEO Elimination of Fatalities Team (now the CEO Zero Harm Forum)
- 2014:** Tripartite stakeholders agree to milestones on health and safety
Launch of the MHSC Centre of Excellence
- 2016:** Tripartite stakeholders sign declaration of actions as a step change to accelerate the industry's journey towards Zero Harm

Mining fatalities per commodity (1993 – 2017*)



Causes of fatalities (1993 – 2016)



Addressing fall of ground incidents, particularly at deep-level mines, is an area that joint industry efforts have focused on most intensively over the past several years. Through the MHSC, significant resources have been invested and far-reaching research has been done to address this. Over R150 million has been invested in falls of ground research and more than R250 million has been spent on research into the seismicity associated with deep-level mines. A further R40 million has led to new mine designs methods. As a result, the number of fatalities associated with seismicity decreased from 48 in 2003 to 14 in 2017.

Since 2017, the industry has noted an increase in the number of accidents related to seismically-induced falls of ground. To better understand and address this phenomenon, the Mining Industry Occupational Safety and Health Fall of Ground task team has been established. Leading practices are being developed and the findings will be shared across the industry.

WE CARE AND REMEMBER

South African mining-related tragedies

22 Jan 1960:	Coalbrook: A massive underground collapse occurred at the Coalbrook Clydesdale colliery located near what is today Sasolburg. Rescue workers were unable to reach the trapped miners, and ultimately 435 men died.
<hr/>	
16 Sept 1986:	Kinross: The use of an acetylene torch sparked flames that spread rapidly through mine workings, igniting plastic insulation on wiring and polyurethane foam sprayed on sidewalls and hanging walls to keep them dry. Polyurethane foam contains a sealant that emits toxic and dangerous fumes when it burns, and most of the 177 miners who passed away succumbed to the toxic fumes.
<hr/>	
31 Aug 1987:	St Helena: A methane gas explosion at the St Helena gold mine in Welkom caused a mine elevator to plunge 1.4km to the bottom of the mine shaft, claiming the lives of 62 people.
<hr/>	
13 May 1993:	Middlebult: A methane gas explosion occurred 130 metres below the surface at Sasol Mining's Middlebult coal mine in Secunda, starting an underground fire that left 53 mineworkers dead and seven injured.
<hr/>	
10 May 1995:	Vaal Reefs: The tragedy occurred when an underground locomotive crashed through a barrier into the shaft at a level of 1,700 metres below surface, falling on to a conveyance that was transporting 104 mineworkers underground. All were killed.
<hr/>	
22 Nov 1996:	Rovic: A mudslide occurred 1,000m underground at the Rovic Diamond Mine (between Boshof and Dealsville in the Free State), claiming the lives of 20 people.
<hr/>	
12 to 16 Aug 2012:	Marikana: Violence triggered by escalating labour unrest at Lonmin's Marikana mine resulted in the death of 44 people between 12 and 16 August 2012 in what has come to be known as the Marikana tragedy.

THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

MARKETING GOLD TO THE WORLD

The Chamber has played a major role not only in optimising the production of gold and other minerals, but also in spearheading the marketing of gold. It began to do so in the mid-1950s, when a sub-committee was formed “for the disposal of gold”. It argued for the monetary merits of gold and suggested that the mining industry could earn a valuable premium on the gold price by producing and marketing gold coins.

The Krugerrand

This idea led, in the 1960s, to a collaboration between the Chamber, the South African Reserve Bank and the South African Mint to produce the world's first ounce-denominated gold coin. The Krugerrand, as it came to be known, had no face value, but clearly stated that it contained one ounce

of fine gold. Its trading value could therefore be easily established at any time by referring to the current gold price. On 3 July 1967, the first 22-carat gold Krugerrand was minted.

The Chamber had predicted an inevitable rise in the price of gold (a view dismissed by financial journalists), and when the price did rise, it became obvious that the intended target market for the Krugerrand would not be able to afford a whole ounce at the higher price. The Chamber therefore sought permission from government to create half-ounce, quarter-ounce and one-tenth-ounce Krugerrands, so continuing to make the coins accessible. This it did, and since then over 60 million Krugerrands have been minted in all sizes.

Today, the Krugerrand is the world's most widely held and actively traded gold bullion coin. It remains one of the Chamber's greatest achievements.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

Jewellery

At much the same time, the Chamber's research advisor, Dr W S Rapson, travelled abroad to look into the potential for gold in electronics and other industries. He reported favourably, but said that the most immediate opportunity lay in jewellery. This was confirmed by studies of the gold markets carried out in London by Consolidated Goldfields and Charter Consolidated, which showed that the international jewellery industry was consuming as much gold as South Africa was producing every year at the time.

The Chamber promptly appointed a gold marketing adviser, and not long afterwards, in 1971, formed the International Gold Corporation to establish and develop contacts with actual and potential gold clients, especially in the jewellery business. By the end of the decade, Intergold, as it was generally known, had offices throughout Europe as well as in North and South America and the Far East – all of them promoting gold jewellery and watches, and the Krugerrand.

RAND REFINERY

Until 1922, mine bullion produced in South Africa was shipped to London, where it was refined and sold on behalf of the producers. Gold had been fetching an ever-higher price in terms of sterling and the South African pound, but that was because huge amounts of these currencies had been printed in earlier years to pay for the war efforts. The inflation produced by the depreciated currencies also had mining houses concerned about their production costs.

It had also become clear that South African producers were not achieving the price of gold being received by their Australian and Canadian counterparts.

Refining gold themselves at a mutually owned refinery in South Africa seemed one good way for mining companies to reduce the final cost of delivering gold to the London

market. The Chamber had, since 1910, been operating the Witwatersrand Cooperative Smelting Works to recover gold and silver left in the waste produced by mines' own crude refining activities.

On 27 November 1920, the Rand Refinery was registered with a capital of £50,000 and, from June 1922, began producing gold of 99% purity from bullion supplied by all of the country's gold mines. In its first year, it produced little more than 200 tonnes of fine gold, but by 1970, this figure had risen to a record of more than 1,000 tonnes.

As the refinery's capacity expanded, it became the world's largest gold refinery, and remains one of the largest refineries globally today, treating gold not only from South Africa, but from sources all over the African continent. It continues to offer a range of gold kilo bars, gold minted bars and Krugerrands in various sizes and designs.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

RESEARCH AND DEVELOPMENT

Being at the forefront of research and development in the industry has long been a priority for the Chamber and, over its decades of existence, many different entities have been set up to this end.

SOUTH AFRICAN INSTITUTE OF MEDICAL RESEARCH

Founded in 1912, the South African Institute of Medical Research (SAIMR) has played a pivotal role in medical research in South Africa, and has been responsible for many world firsts in terms of medical breakthroughs.

Today, the SAIMR forms part of the national health laboratory and operates from the same premises (designed by Sir Herbert Baker) on Hospital Hill in Braamfontein that was constructed in 1914, and largely funded by the Chamber of Mines. For many years, the state and the Chamber shared its running costs.

Its work was initially stunted by the effects of World War I, with priority being given to the production of some 87,000 doses of anti-typhoid vaccines for the armed forces.

The SAIMR's early work focused on the high mortality rate among mineworkers, particularly foreign nationals, as a result of pneumonia and other respiratory infections. The SAIMR conducted critical research on the role of silica mine dust in 'miner's phthisis' and tuberculosis, and discovered the link between asbestos exposure and mesothelioma.

Over the years, the SAIMR's mandate expanded to public health issues. Its researchers conducted the first large field studies on malaria, and pioneered indoor spraying against mosquitoes, now a global practice. The SAIMR also developed special expertise in vaccine and snake anti-venom research and production. It co-developed the polio vaccine with US collaborators.



THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

COMRO

It was the Coalbrook tragedy on 21 January 1960, in which 435 miners died, that led to the appointment of the first research adviser to the Chamber. After a thorough examination by expert investigators into the disaster, it was determined that the integrity of the supporting pillars designed to support the mine's shaft had been compromised. And so, in 1963, the Chamber established the Chamber of Mines Research Organisation (COMRO), alongside the Coal Mines Research Controlling Council (CMRCC).

These entities became responsible for pioneering research in mining and safety systems, not only for the coal industry, but also deep-level gold mining and, at one stage, employed more than 600 scientists and engineers. By 1990, COMRO and its research projects were taken over by the Council for Scientific and Industrial Research (CSIR) and its designated research departments.

COMRO and its scientists became world-renowned in a number of mining-related fields, including the field of rock mechanics. In addition to significant advances in mine planning, COMRO piloted the development of rapid-yielding hydraulic props, two-way radio systems that could transmit through rock, the use of chilled service water and, later, ice for cooling underground workings, re-vegetation of mine and waste dumps, non-explosive mining techniques, heat stress management, hydro-power in mining, and backfilling, among many others.

The old COMRO facility has recently been re-opened as the Nelson Mandela Mining Precinct in a landmark collaboration between the public and private sectors. Together, they are working under one roof to modernise the South African mining industry – encouraging technological innovation, with improved safety and health.

THE RAND MUTUAL ASSURANCE COMPANY

In 1894, three gold mining companies established the Rand Mutual Assurance Company (RMA), which was later placed under the Chamber as a non-profit mutual insurance company.

Its task was – and still is – to receive, adjudicate and administer compensation benefits to workers injured during their employment. As a mutual association, RMA's policyholders automatically become its shareholders.





TRANSFORMATION

THE CHAMBER OF MINES: A BRIEF HISTORY CONTINUED

UNIVERSITY OF THE WITWATERSRAND

The origins of the University of the Witwatersrand (Wits) lie in the South African School of Mines, which was established in Kimberley in 1896. When it became clear that it would be more appropriate to locate this entity on the 'Rand', this entity was closed and its 30 students relocated to Johannesburg in 1904, where it became known as the Transvaal Technical Institute and, in 1906, the Transvaal University College. Four years later, in 1910, it was renamed the South African School of Mines and Technology.

As its remit grew to include non-mining disciplines, it again changed its name in 1920 to the University College, Johannesburg. When full university status was granted in 1922, the University of the Witwatersrand was born.

In 1989, the Chamber of Mines building, which houses Wits' engineering faculty, was built. In 2011, a statue by Herman Wald called "Unknown Miner" was unveiled outside the building's entrance as a representation of all the miners who once worked in Johannesburg.

The Chamber of Mines and the mining industry as a whole have continued their long association with Wits and other South African universities, supporting hundreds of thousands of students, funding chairs and co-funding the salaries of academics, as well as providing significant capital support.

MINE RESCUE SERVICES

Since its inception in 1924, the role of Mine Rescue Services (MRS) has been to serve its member operating mines. Initially established by the Rand Mines Group as the central rescue training station in Johannesburg, the entity was

taken over by the Transvaal and Orange Free State Chamber of Mines in 1946, and remains an industry-led and funded body to this day.

A small team located at the Welkom, Carletonville, Evander and Steelpoort stations oversees the specialised training of brigadesmen from member mines across the country and further afield. Given the significant increase in illegal mining activity in recent years, the requests for the rescue and retrieval of illegal miners at the hands of these brigadesmen has risen significantly.

All brigadesmen are volunteers, and many of them, and MRS itself, have repeatedly been recognised for their extraordinary bravery and skills. These brigadesmen and the thousands who have gone before them are the unsung heroes of our mining industry and truly honour the badge: *voluntate servio* (voluntary, we serve).





MOMENTS IN TIME

1867 The first diamond in South Africa is discovered near Hopetown in the Northern Cape. It is called the Eureka Diamond and weighs 21.25 carats

1886: Australian prospector George Harrison discovers gold on the farm of Langlaagte. This precipitates the Witwatersrand gold rush and the founding of Johannesburg

1889: The Witwatersrand Chamber of Mines is established

1897: The Chamber changes its name to the Chamber of Mines of the South African Republic

1902: Once again, the Chamber renames itself, this time the Transvaal and Orange Free State Chamber of Mines

1922: An armed uprising of miners, called the Rand Rebellion, takes place

1960: The Coalbrook Mine disaster takes place, with 435 lives lost in South Africa's worst mining tragedy

1967: The Krugerrand is launched

1968: The Chamber becomes known as the Chamber of Mines of South Africa and includes mining companies in the Cape and Natal

1971: The Chamber establishes Intergold

1982: The National Union of Mineworkers (NUM) is formed

1987: The largest strike in South Africa's mining history takes place. An estimated 500,000 miners down tools on the first day

1989: The mining sector rejects the colour bar and accepts black workers to obtain mining certificates

1990: The ANC is unbanned

1992: The Chamber starts negotiations with the ANC on a minerals policy for South Africa

1995: The Vaal Reefs Mine disaster becomes the worst shaft accident in South Africa's history. A total of 104 mineworkers die

1996: The Mine Health and Safety Act is passed, including the findings of the Leon Commission of Inquiry into Safety and Health in the Mining Industry

1998: The Chamber breaks with tradition and allows labour representatives in the form of the NUM to attend its annual general meeting

1998: After six years of negotiations, the first minerals green – then white – paper is released

2001: The Association of Mineworkers and Construction Union (AMCU) is founded

2001: The first draft of the Minerals Bill is passed in South Africa. It includes a shift from private ownership of mineral rights to state custody

2004: The MPRDA is promulgated into South African law

2004: The Mining Charter is launched

2005: Lazarus Zim becomes the Chamber's first black president

2005: The first gold industry strike takes place since 1987

2008: Eskom declares force majeure and cuts the supply of power to the mining industry by over 50%. South Africa's mines have no alternative but to suspend operational activities for seven days, costing the economy R12 billion

2009: The first Royalty Act is produced

2010: Mining stakeholders sign a declaration on growth and transformation

2010: The second Mining Charter is released

2012: The Marikana tragedy takes place on the platinum belt

2014: A five-month platinum strike takes place

2015: The Chamber starts a process of brand and reputation assessment

2016: Based on the brand assessment findings, the Council mandates the Chamber's rejuvenation and renaming

2016: The Mandela Mining Precinct opens its doors with the intention to boost the industry through research and development

The Chamber embarks on an internal modernisation strategy

2016: The Chamber starts addressing legacy issues, including pension funds and occupational lung disease

2017: The Chamber launches legal proceedings against the unilateral Revised Mining Charter 2017

The Chamber implements a modified human resources strategy to attract, incentivise and retain the best human capital

The Chamber launches a major health screening initiative

2018: The occupational lung disease settlement takes place

2018: The Chamber of Mines is renamed the Minerals Council South Africa

FORMER PRESIDENTS OF THE CHAMBER

In its more than 130 years, the Chamber of Mines has had some of the country's greatest mining magnates and businessmen at its helm. Some of its earliest presidents were also some of its most colourful.

HERMANN ECKSTEIN (1889 – 1892)

Originally from Stuttgart in Germany, Hermann Eckstein was drawn by the wealth of South Africa's diamond and goldfields in the early 1880s. In 1888, he started his own firm, Hermann Eckstein & Co., in Johannesburg and played an important role turning the city's rudimentary gold diggings into an established industry. Eckstein helped to improve infrastructure, employ experienced engineers and guide the shift to deep-level mining. He is considered one of South Africa's Randlords.

LIONEL PHILLIPS (1893–1896)

A Londoner by birth, Lionel Phillips decided to seek his diamond fortune in South Africa and arrived in Kimberley in 1875, after walking most of the way there from Cape Town. With the discovery of gold, Phillips moved to Johannesburg, where his immense energy and tenacity saw him gain a foothold in the young mining economy. He worked as a consultant at Eckstein & Co. and was later regarded as the authority on gold mining in South Africa.

SIR PERCY FITZPATRICK (1902–1903)

Before he became the Chamber's president, Sir Percy FitzPatrick worked as a storeman, a prospector's assistant, a journalist and an ox-wagon transport rider in the goldfields of the Eastern Transvaal. These travels served as inspiration for the much-loved children's story *Jock of the Bushveld*, which he published in 1907. In 1892, he was appointed head of intelligence of Eckstein & Co.'s Johannesburg offices and became the Chamber's president a decade later.

Hermann Eckstein



Lionel Phillips



Sir Percy FitzPatrick



Bobby Godsell



Rick Menell



Con Fauconnier



Lazarus Zim



Mark Cutifani

FORMER PRESIDENTS OF THE CHAMBER CONTINUED

Three of the Chamber's more recent presidents include former AngloGold Ashanti CEO Bobby Godsell, former Anglovaal Chairman Rick Menell, former Exxaro CEO Con Fauconnier, former Northam Platinum Chairman Lazarus Zim and Anglo America plc CEO Mark Cutifani. Here, they reflect on their experiences.

ROBERT 'BOBBY' GODSELL (1998–1999)

"During the 1970s, black workers asserted their rights as industrial citizens, a challenge that came to the mining industry in the 1980s. The Chamber accepted and accommodated this shift, laying the foundation for the political transition of the early 1990s. Today, the mining industry, along with all sectors of the South African economy, is faced with the challenge to translate political and constitutional non-racism into the lived experience of all South Africans."

RICK MENELL (1999–2002)

"In 1999, 2000 and 2001, we were exploring and developing the new 'rules of engagement' in the post-democratic era as we engaged with government and labour on critical legislation and regulation. In many ways, the successes achieved in a collaborative approach to safety enabled the development

of trust between parties, and allowed frank discussions on how to effect transformation and at the same time ensuring continued investment in the industry."

DR CON FAUCONNIER (2003–2005)

"During my tenure as President, the new MPRDA and its first attendant Mining Charter came into being. It was uncharted water for all stakeholders and, in many ways, it was breaking new ground for all of South Africa as it was the first charter under the new black economic empowerment (BEE) legislation. The survival and growth of the mining industry should go hand in hand with real transformation that benefits a broad spectrum of South Africans."

LAZARUS ZIM (2005–2007)

"Employee safety remains a major concern as the present rate of fatalities threatens to reverse the gains of recent

years in the pursuit of Zero Harm. Every life is precious. Escalating costs, mining at depth and depressed commodity prices threaten the viability of many mining companies, and with them, many jobs. It is vital to engender constructive rapport in engagements between the industry, government, labour and mining communities to find sustainable solutions for transformation away from the courts."

MARK CUTIFANI (2012–2013)

"I think the Chamber of Mines is one of the few industry forums that actually works to improve the country and the lives of all South Africans, while promoting the industry and its long-term future. Some of the most significant challenges during my tenure as Chamber of Mines President were bringing a constructive close to the Mining Charter II conversations and the focus we put on health, safety and environmental issues. The elimination of fatalities work was particularly important."

What follows is a list of all of the Chamber's presidents since its inception:

Year	President	Year	President	Year	President
1889-1890	H Eckstein (3 years)	1939-1940	G H Beatty	1974-1975	A W S Schumann
1893-1896	L Phillips (3 years)	1940-1941	P M Anderson	1975-1976	R S Lawrence
1896-1898	J Hay (2 years)	1941-1942	W H A Lawrence	1976-1977	R A Plumbridge
1898-1902	G Rouliot (4 years)	1942-1943	G C Jones	1977-1978	L W P van den Bosch
1902-1903	Sir P FitzPatrick	1943-1944	F A Unger	1978-1979	P A von Wielligh
1903-1904	Sir G Farrar	1944-1945	W H A Lawrence	1979-1980	D A Etheredge
1904-1905	H F Strange	1945-1946	C S McLean	1980-1981	R S Lawrence
1905-1906	F D P Chaplin	1946-1947	G C Jones	1981-1982	L W P van den Bosch
1906-1907	J N de Jongh	1947-1948	F A Unger	1982-1983	W W Malan
1907-1908	L Reyersbach	1948-1949	C S McLean	1983-1984	C T Fenton
1908-1909	L Phillips	1949-1950	K Richardson	1984-1985	G Y Nisbet
1909-1910	J W S Langerman	1950-1951	R B Hagart	1985-1986	C G Knobbs
1910-1911	H G Hamilton	1951-1952	S R Fleischer	1986-1987	E P Gush
1911-1912	H O'K Webber	1952-1953	C S McLean	1987-1988	T I Steenkamp
1912-1913	J G Hamilton	1953-1954	K Richardson	1988-1989	C T Fenton
1913-1914	J Munro	1954-1955	C B Anderson	1989-1990	K W Maxwell
1914-1915	Sir E A Wallers	1955-1956	B L Bernstein	1990-1991	C G Knobbs
1915-1916	W H Dawe	1956-1957	C B Anderson	1992-1993	T I Steenkamp
1916-1920	Sir E A Wallers (4 years)	1957-1958	H C Koch	1993-1994	J J T Geldenhuys
1920-1924	H O Buckle (4 years)	1958-1959	P H Anderson	1994-1996	A H Munro (2 years)
1924-1925	Sir E A Wallers	1959-1960	Dr W J Busschau	1996-1997	A J Du Plessis
1925-1926	P M Anderson	1960-1961	C B Anderson	1997-1998	Dr N S Segal
1926-1927	A French	1961-1962	H C Koch	1998-1999	R M Godsell
1927-1928	D Christopherson	1962-1963	P H Anderson	1999-2002	R P Menell (2 years)
1928-1929	A W Rogers	1963 -1964	A A von Maltitz	2002-2003	B E Davison
1929-1930	J Martin	1964-1965	C B Anderson	2003-2005	Dr C J Fauconnier (2 years)
1930-1931	P M Anderson	1965-1966	H C Koch	2005-2007	P L Zim (2 years)
1931-1932	A French	1966-1967	R S Cooke	2007-2010	S A Nkosi (3 years)
1932-1933	J Martin	1967-1968	T Reekie	2010-2012	Dr X Mkhwanazi (2 years)
1933-1934	P M Anderson	1968-1969	Dr T F Muller	2012-2013	M Cutifani
1934-1935	J Martin	1969 -1970	R S Cooke	2013-2016	M Teke (3 years)
1935-1936	W A Mackenzie	1970-1971	Dr A A von Maltitz	2016-2017	M Mgojo
1936-1937	G H Beatty	1971-1972	J W Shilling		
1937-1938	P M Anderson	1972-1973	R C J Goode		
1938-1939	F A Unger	1973-1974	R A Plumbridge		

5 HOLLARD STREET, YESTERDAY AND TODAY

Downtown Johannesburg Main Street was one of the first roads to be built when the city was laid out 130 years ago.

After all this time, it continues to serve as testament to South Africa's mining heritage with many of the country's major mining and financing companies – Anglo American, FNB, ABSA and Standard Bank among them – located along it or in close proximity. Just a stone's throw away, the Chamber of Mines stands at 5 Hollard Street.

It is from this location that the Chamber conducts its affairs, engaging with, supporting and representing mining companies that span the length and breadth of South Africa.

It is also this building that serves as the embodiment of the Chamber's efforts to develop, innovate and modernise the mining industry. Over the years, the building itself has incorporated many of the pioneering technological changes of which the Chamber and its members are a part.

REMINDERS OF YESTERYEAR

The fountain outside the Hollard Street offices deserves special mention. Its enormous centrepiece represents the largest South African gold nugget ever found: a 7.8kg piece that was discovered at Pilgrim's Rest in 1874. Unfortunately, despite South Africa's rich gold reserves, no large nuggets exist beneath its surface today. All those found have long since been smelted into bullion and, today, an overwhelming percentage of the country's gold is microscopic.

The fountain's basin serves as a replica of the Witwatersrand Basin and, within it, mosaic has been used to paint a picture of the Witwatersrand goldfields, the Vaal River, the Vaal Dam, and the main towns of the Transvaal and the Orange Free State as they stood in 1961. A golden arc follows the edge of a prehistoric inland sea where gold, carried by rivers from the surrounding mountain ranges, was deposited.

The legend behind South Africa's largest gold nugget

Legend has it that, in 1874, two members of a syndicate working a claim in the Pilgrim's Rest valley found a large nugget beneath a rock in a riverbed. The two miners, realising that the fortune they were so desperately seeking had been found, promptly departed for what was then Lourenço Marques (now Maputo) and were never seen again.



5 HOLLARD STREET, YESTERDAY AND TODAY CONTINUED

A BUILDING FOR THE FUTURE

The Chamber's residence does not simply tell a story of the past, but of the future, too. It has evolved over the years to make use of the minerals its members mine and to embody the innovation and development it so ardently supports.

The Chamber's fuel cell

For several years, the Chamber has been fuelled with the help of one of the most valuable and versatile commodities to emerge from South African soil: platinum. In December 2014, a fuel cell using 40 ounces of South African platinum and low-pressure natural gas was installed inside the Chamber's premises. Its purpose was to become the first baseload, commercial, low-pressure natural gas installation in Africa – a feat it promptly achieved.

The fuel cell is green, clean, maintenance-free and perfectly reliable. It supplies the Chamber

with 100kW of electricity every day, which is enough to power 70% of the organisation's needs.

Through this installation, the Chamber aimed to demonstrate the potential for the local fabrication and industrial use of platinum in a significant new market, to act as an industry leader in fuel cell deployments, to create jobs through the implementation and servicing of this technology, and, where possible, to make use of the diverse generation abilities of the fuel cell by using surplus heat.

Although uptake of fuel cell technology in the South African and African markets has been slow, there are signs of growth. South Africa is in a unique position to drive the platinum group metals (PGMs) market by actively promoting and using fuel cells to benefit platinum and to drive industrialisation, a position the Chamber is proud to endorse.

More about fuel cells

A fuel cell is an electrochemical device that combines hydrogen and oxygen to produce electricity with water and heat as its by-products. It is highly efficient and ultra-clean: the fact that it doesn't rely on combustion means that it has no harmful emissions. It's also quiet, durable and scalable: fuel cells are capable of meeting any size of electrical load requirement.



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environmental
responsibility

Average Annual
Savings

CO₂

430 tonnes per annum

NO_x

220 kg per annum

H₂O

1.24 tonnes per annum

heating
the building

reducing CO₂
emissions

Fuji Electric

FP-100



GROWTH

5 HOLLARD STREET, YESTERDAY AND TODAY CONTINUED

THE URBAN AGRICULTURE INITIATIVE

In 2017, the Johannesburg Inner City Partnership – in which the Chamber is a key stakeholder – established the Urban Agriculture Initiative with the aim of creating an urban agricultural ecosystem.

This it strived to do by repurposing disused rooftops and making use of hydroponics and aquaponics to produce agricultural produce for Johannesburg's inner-city communities.

As a starting point, the Chamber participated in and funded a pilot project to assess the feasibility of growing herbs and vegetables on the rooftops of inner-city buildings, including the Chamber itself.

The Chamber's project was very successful and, as a result, the Department of Small Business Development has agreed to fund the start-up costs of another 24 projects in downtown Johannesburg, so helping to provide sustainable employment to 24 farmers.

The Chamber hopes the project will extend beyond rooftops to include pavements and other underutilised spaces for the benefit of the people of Johannesburg's inner city and beyond.

The Chamber's resident agripreneur

Nhlanhla Mpati is an agripreneur who started the rooftop farm on the Chamber of Mines' building.

Since starting to farm in the city, Mpati has produced 15kg of basil and has orders booked six months in advance. He is currently selling his produce to the Johannesburg Fresh Produce Market and nearby cafes. He carries out his farming using hydroponics, a soilless growing method that sees his basil grow in just 21 days as hydroponic plants mature much faster than crops in other mediums.



THE CHAMBER IN THE LAST DECADE

In the years since the end of apartheid, and the last decade in particular, the Chamber and its members have taken a close look at the historical legacy it bears, and the ways in which the various issues of which this legacy is comprised can be addressed and resolved.

The last decade has seen the execution of some important policies and actions as mineworkers, and their families and communities, who experienced injustices or wrongdoings in the past are recompensed and future preventative measures are implemented.

It has also been a decade in which the Chamber has increased its visibility, its technical excellence and its leadership capabilities. It has secured respected industry experts both within the organisation, and in support of its work, so that it and its members have access to thought-leading resources. A few of this era's significant achievements and initiatives are described below.

TB, HIV/AIDS AND SILICOSIS

The Chamber has intensified its response to TB and HIV/AIDS and is proud of the partnerships it has made to this end. Masoyise iTB, which includes the Chamber, the Departments of Health and Mineral Resources, all four labour unions, UN agencies, SABCOHA and several other stakeholders, is one such partnership. Of this group, every member is committed to screening for TB and HIV in South Africa's key populations, which includes mineworkers.

The aim of Masoyise iTB is to have a meaningful impact on the TB challenge in the country and the industry. Companies have embraced the initiative and gains have been made on TB contact tracing, support to small mines, and improving access to TB and HIV diagnostics.

Recent results have been positive. In 2016, 73% of employees were screened for HIV, while 84% were screened for TB.

The next step is to achieve the target of screening all mineworkers every year for TB and HIV.

UNCLAIMED BENEFITS

The issue of unclaimed pension and provident benefits is of national concern and not unique to the mining industry. In total, around R45 billion is owed to approximately 3 million people across the country. In many cases, the individuals who are owed the funds are not aware that they are due to them. If they are aware, they frequently do not know how or where to claim, and very often do not have the necessary documentation.

Of the total amount of unpaid benefits owed to people employed in various sectors in South Africa, around R3 billion is owed to an estimated 300,000 former mining industry employees. Many of these funds relate to employees who were employed in the industry several decades ago. The mining industry has been working



THE CHAMBER IN THE LAST DECADE CONTINUED

with retirement funds and other stakeholders to implement extensive tracking and tracing initiatives. Through these interventions, around R2 billion has been paid over the past two years.

The Chamber has been concerned that a number of former mineworkers or their dependants have not received these unclaimed benefits, and has been engaging with various industry retirement funds to this end. It has been closely monitoring the progress made in respect of finding and paying employees the benefits due to them. The Chamber has appointed a full-time staff member to assist claimants in accessing the unclaimed benefits.

MEDICAL COMPENSATION

Since 2015, the Chamber has been working closely with the Working Group on OLD, the Medical Bureau for Occupational Diseases (MBOD), and the Compensation Commissioner for Occupational Diseases (CCOD), to address a similarly problematic issue of

unclaimed benefits related to medical compensation. The Working Group is made up of companies who currently or formerly operated gold mines. All six companies are Chamber of Mines members.

According to South Africa's Occupational Diseases in Mines and Works Act of 1973 (ODMWA), miners who acquire tuberculosis or silicosis during or after their employment on the mines may be entitled for compensation. The claiming and payment process, however, has been poorly managed for decades and, by the mid-2010s, a backlog of more than 100,000 certified but unpaid claims had built up.

The reasons behind this were manifold, and included the fact that the details for many claimants were incomplete, that beneficiaries were difficult to source in instances where workers had passed away, and that the MBOD lacked the human and financial resources to deal with the issue. With renewed impetus

behind addressing this legacy, however, claims – both former and new – are now being processed quickly and effectively. This means not only that payments are going to their rightful claimants, but that the process and the industry at large is being viewed with renewed credibility.

In the past five years, the Chamber has contributed more than R40 million to the rehabilitation of the MBOD and CCOD. It also provided funding in 2015 and 2016 for the data capturing of almost 500,000 hard copy files to help pave the way to finalising claims and providing benefits to those eligible for compensation. Towards the industry's tracking and tracing initiatives, and its efforts to improve administrative and medical capacity, the Chamber has contributed more than R30 million.

In May 2018, a historic class action settlement was reached regarding compensation to eligible mineworkers suffering from tuberculosis or silicosis. The settlement, which is the first of its



THE CHAMBER IN THE LAST DECADE CONTINUED

kind in South Africa, was the result of three years of negotiations between representatives' attorneys and the Working Group on Occupational Lung Disease (OLD). In terms of the settlement, an amount of R1.4 billion will be paid towards benefit payments in the first two years.

TRANSFORMATION

The Chamber continues to be guided by the Mining Charter's guidelines regarding transformation as it endeavours to create an industry that represents and benefits all South Africans.

Important milestones have been achieved in this regard. In 2016, ownership of the industry by historically disadvantaged South Africans (HDSA) stood at 39%, significantly above the Charter target of 26%. The proportion of procurement from HDSA entities continues to exceed its targets as well, with 69% of capital goods, 75% of services and 68% of consumables sourced from HDSA suppliers in 2016, against targets of 40%, 70% and 50% respectively.

Employment equity has seen similar gains, as has the role of women in mining. It is estimated that women currently make up 13% of the mining workforce.

The industry's transformation efforts also extend to the communities located near mining operations. Community development is regulated through social and labour plans, which provide for strategic interventions that are planned and implemented together with local authorities to promote the economic growth of host communities and labour-sending areas.

EMPLOYEE INDEBTEDNESS

In 2012, an industry-level task team was set up to look into the issue of employee indebtedness. This was after it was found that excessive levels of indebtedness were directly related to a great deal of employee unrest and rising levels of violence – particularly on the platinum belt. Ironically, it was because miners are relatively well paid and have access to banking facilities that they became

the prey to unscrupulous formal and informal lenders. At the outset, it was decided that the task team would focus on microlending and garnishee orders, as these are the most critical problems.

The joint effort of the companies and the unions is an integral feature of this task team. By approaching indebtedness together, it is hoped that employees will feel more comfortable taking part in initiatives and that more can be achieved in shorter periods of time.

To prevent future debt and to assist employees with current debt levels, the task team has also developed and implemented practical training to improve the financial literacy of mineworkers.

Collaboratively and independently, the Chamber and its members have worked closely with the regulatory authorities in implementing new regulations to curb reckless lending and to challenge illegal and unfounded garnishee orders.

WORLD PLATINUM INVESTMENT COUNCIL

In 2014, six of the world's leading platinum producers launched the World Platinum Investment Council (WPIC), an industry entity with the aim of developing the global market for platinum investment. Today, its members are Anglo American Platinum, Impala Platinum Holdings, Lonmin, Northam Platinum, Royal Bafokeng Platinum and Sibanye-Stillwater.

The WPIC endeavours to stimulate investor demand for physical platinum through actionable insights and targeted development. It provides investors with accurate and informed information regarding platinum investment and works with financial institutions and market participants to develop products and channels that investors need.

The WPIC's first and current Chairman is the Chamber's CEO, Roger Baxter.



THE CHAMBER, TODAY AND TOMORROW

Today, the Chamber is a vastly different organisation to what it was when Hermann Eckstein was president in 1889. A number of its more recent initiatives have contributed to this, and will set the tone for what the Chamber – now the Minerals Council – will become in the years to come.

THE EMERGING MINERS' DESK

In recent times, the Chamber has welcomed emerging miners into its membership – a move it believes is important to the future growth of the industry. The term 'emerging miners' covers a diverse group of mining and mining-related entities, including

small and prospecting companies and contractors. At the moment, the majority of emerging miners operate in the coal sector, followed by diamonds and, to a lesser extent, manganese and iron ore.

The Chamber has established an Emerging Miners' Desk to provide advice and support and to act as a resource centre for these smaller member companies. While the Chamber, at a policy level, presents a consolidated position on key policy areas, it is sensitive to the needs of its smaller members who often lack the capacity and resources to implement policy and legislation.

In addition, there are a number of other areas where smaller companies require assistance: in the raising of finance for projects, in some of the technical aspects of mining such as geology and engineering, in skills development, and in compliance with the MPRDA-associated Mining Charter. The Emerging Miners' Desk has been mandated to assist emerging miners in these fields.

Looking ahead, the Emerging Miners' Desk hopes to be a voice for emerging and mid-tier companies (those above small scale, but well-below major producers).





MODERNISATION

THE CHAMBER, TODAY AND TOMORROW CONTINUED

MODERNISING THE MINING INDUSTRY

Modernisation is a key strategic priority for the Chamber and it aims to create an enabling environment for industry-wide change.

Critically, the envisaged modernisation process involves retraining people currently at the rock face performing arduous, repetitive and potentially risky tasks to operate low-profile, multi-functional machinery remotely or from a safe distance. In time, the industry will be in a position to train an entirely new generation of mineworkers to perform these tasks, including more and more women. In this way, modernisation efforts are as much about developing people and enhancing transformation as they are about implementing technological innovations and improving processes.

As the gold and PGMs industries in particular start to tackle increasing low-grade ore, this process requires new approaches and interventions. Moreover, dealing with hard, high-stress rock environments without the use of explosives demands advanced research. The eventual objective is a system that combines all elements to deliver, wherever possible, 24/7 mechanised operations that keep skilled personnel out of harm's way and produce higher margins.

In order for modernisation to be possible, a concerted and collaborative effort by all parties, both public and private, has to be ensured. The Chamber is supportive of all modernisation initiatives and, wherever it can, is facilitating and co-ordinating these within the industry and between the industry and its stakeholders.



THE CHAMBER, TODAY AND TOMORROW CONTINUED

THE MANDELA MINING PRECINCT

At the Mining Phakisa, a multi-stakeholder engagement forum that was held in 2015, participants agreed that an *ad hoc* approach to modernisation could no longer be contemplated. Instead, innovative research and development initiatives that combined the knowledge, skills and expertise of everyone involved had to be undertaken. These, it was decided, would be explored at the Mandela Mining Precinct, the industry's new innovation, manufacturing and sustainable development centre and home of the old COMRO.

The Chamber, which contributed R10 million of seed funding in 2016, has pledged an additional R35 million to the Mandela Mining Precinct going forward.

THE MEMBERSHIP COMPACT

The Chamber of Mines' vision is to reposition the mining sector as South Africa's foremost industrial sector. In partnership with our key stakeholders, we envisage an environment that is conducive to shaping policy and legislation to facilitate a significant increase in real investment in the mining sector by 2030.

This is an industry strategy that will be owned by all Chamber members with the overriding objective of building a trust-based social pact with key stakeholders. Its intention is to create an overwhelmingly positive investment and operating environment for the sector, making

the global investment community and mining industry recognise that South Africa has emerged into an investment destination of choice for the mining sector.

In order to achieve this, all Chamber members automatically subscribe to the Membership Compact as a condition of their membership. The Membership Compact is a mandatory code of ethical business conduct that focuses on building trust relations with key stakeholders, transforming the mining industry and partnering with communities surrounding existing and future mining operations and those in labour-sending areas.

OUR VISION

OUR PURPOSE

Superior value

for all our stakeholders
through mining our
multi-commodity
resources in
a **safe and
healthy**
environment



Our mining
improves lives



DigiMine
Digital Mining Laboratory

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INNOVATION
is change
that unlocks
**NEW
VALUE**



THE BIRTH OF THE MINERALS COUNCIL SOUTH AFRICA

On 23 May 2018, the Chamber of Mines of South Africa was formally renamed the Minerals Council South Africa (Minerals Council), unveiling a new logo and brand identity. A decision to rename the organisation was taken by the Chamber of Mines Council in 2017, in line with its changing face, ethos and role.

The decision was not taken lightly, and followed extensive research undertaken by a leading South African brand agency. While it was acknowledged that the Chamber has had a long history of contributing to the South African mining industry, it was also understood that this history is not without its negative associations.

The Council was of the view that it was time to signal clearly that the industry is moving forward, building a new legacy, and creating a future of which all South Africans can be proud.

The Minerals Council is well aware that a new logo will not create a new legacy. Rather, the logo is a symbol of the organisation and industry's efforts and aspirations. In all that the Minerals Council does, it will endeavour to represent and lead members in a way that reflects its vision and values. More than that, through its Membership Compact, the Minerals Council will hold members accountable to the commitments that it and its members have made.



THE BIRTH OF THE MINERALS COUNCIL SOUTH AFRICA

CONTINUED



THE NAME

The Minerals Council South Africa is a name that better reflects the work of the Council and its members. While the former name conjures up images of South Africa's early mining days, the new name seeks to demonstrate that today's mining industry is about so much more than just the mining process.

The role of the Minerals Council has expanded far beyond its original remit. Now, it innovates, it serves as a thought leader and it constantly challenges the status quo.

THE LOGO

- **Engineering:** The 'M' in the new Minerals Council logo, which is suggestive of mining tunnels, is safely contained within four coloured shapes, while the negative spaces symbolise drilled-out areas.
- **Nurturing:** The 'M' also symbolises the heart of South Africa and is supported by the four shapes, which represent the earth.
- **One voice:** The logo depicts strength of form and unity, and national pride is exemplified in the use of the colours of the South African flag.
- **Equity:** Some aspects of the previous identity have been retained.

#MiningMatters

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